Guidelines for recommending cutom duty rates

3745. SHRI BHUBANESWAR KALITA : Will the PRIME MINISTER be pleased to state :

(a) whether the Department of Chemicals have no definite quidelines for recommending Custom duty rates on various drug and drug intermediates to his Ministry and recommendation made from time to time is done at the instance of public sector units ;

(b) what are the reasons for different rates of custom duties on drug intermediates used for manufacture for the same end-product and thereby shifting the profitability of the product to the units patronized by the Department of Chemicals ; and

(c) the steps taken by Government to end this discrimination ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (c) No, Sir. there is no discrimination of any kind between the proposals for customs duty concession submitted by units in the public sector or the private sector. Duty rationalisation on various drugs and drug intermediates, is an ongoing process. These requests are received from individual companies in the private and public sector and also from the Industry Associations. The main objective of duty rationalisation is to encourage production from more basic stage.

Losses of IDPL And HAL

3746. SHRIMATI RATAN KUMARI Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 1313 given in Rajya Sabha on 5th Deember, 1991 and state :

(a) whether it is a fact that major reason for losses of IDPL and HAL is the siphoning off the funds of the company by the top brass in technology purchases, purchases of raw materials and other leakages over the years ;

(b) whether it is a fact that the top management continued to do so because of connivance of bureaurcrats of Government like former Development commissioner and Director (PI) who milked these companies ;

(c) what are the details of inventories which have not moved during the last two years; under what circumstances they pruchased and who is responsible for such purchases ; and

(d) what steps are proposed to be taken to enquire into the whole matter ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) Hindustan Antibiotics Ltd. has been making cash as well as net profits since 1987-88. Indian Drugs & Pharmaceuticals Ltd. has been incurring losses over the years. The reasons for losses of IDPL are high wage component, low capacity utilisation, obsolescence in technology, high interest burden and fixed cost, nonavailability of raw matrials and the constraints of wroking capital.

(b) No, Sir.

(c) and (d) As reported by Hindustan Antibiotics Limited, the value of the inventories which did not move for two years, was Rs. 27. 55 lakhs as on 31-3-91. The inventories consisted of raw materials and engineering spares. The information from IDPL is awaited.

Rule 30-A of IDPL

3747. SHRI SUNIL BASU RAY : Will the PRIME MINISTER be pleased to refer to the answer to Unstarred Question 2053 given in the Rajya Sabha on the 12th Dec. 1991 and state :

(a) whether expert legal advice has been received by Government, if so, the details thereof ;

(b) whether it is a fact that newly introduced rule 30-A of IDPL does not provide any appeal in it; and

(c) if so, the reasons therefor ?

THE MINISTER OF STATE IN THE MINISTRY OF CHEMICALS AND FERTILIZERS (SHRI CHINTA MOHAN) : (a) to (c) Indian Drugs & Pharmaceuticals Limited has reported that it has obtained expert legal advice which, *prima facie*, indicates that there is no conflict between the Rule 30-A and the ruling of the Surrreme Court in the case of Delhi Transport Corporation. There is no appeal against an order passed under Rule 30-A of IDPL Conduct, Discipline and Appeal Rules, 1978 but the general over-riding powers to review under Rule 33 of the IDPL Conduct, Discipline and Appeal Rules, 1978 would also apply to any order passed under Rule 30-A of the said rules.